

What is the HealthSavings CDHP?

Consumer Driven Health Plan (CDHP) w/Health Savings Account (HSA)









What is the HealthSavings CDHP?

- New insurance plan option
- Can help you save money
- In addition to existing PPOs

PPO and HealthSavings CDHPs

- Provide comprehensive health insurance coverage
- Cover preventive care in-network at no cost
- Offer same provider networks
 - BCBST Network S
 - Cigna LocalPlus
- Include pharmacy coverage

Difference Between PPO and HealthSavings CDHP

In-Network Comparison	Partnership PPO	Standard PPO	Limited PPO	HealthSavings CDHP
Deductible	\$450 individual	\$800 individual	\$1,200 individual	\$1,500 individual
	\$1,150 family	\$2,050 family	\$2,600 family	\$3,000 family
Medical	\$2,300 individual	\$2,600 individual	\$6,600 individual	\$3,800 individual
Out-of-Pocket Max	4,600 family	\$5,200 family	\$13,200 family	\$7,600 family
Pharmacy	\$2,500 individual	\$3,000 individual	included with	included with
Out-of-Pocket Max	\$5,000 family	\$6,000 family	medical	medical
HSA Contributions	N/A	N/A	N/A	member and employer option

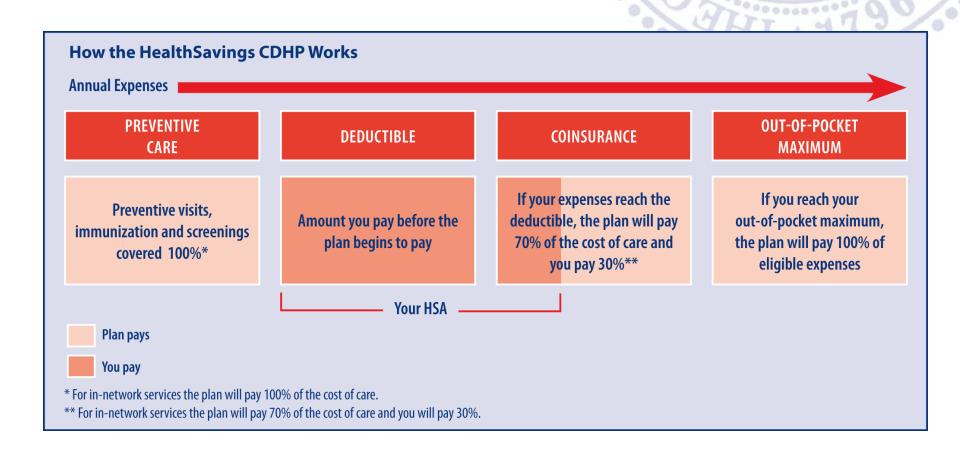
What is the HealthSavings CDHP

- Higher deductible
- Lower monthly premiums
- Includes Health Savings Account (HSA)

How does HealthSavings CDHP work?

- Members pay for health care expenses based on discounted network rates
- When deductible is met, they pay coinsurance
- When out of pocket maximum is met, plan pays 100 percent

How Does HealthSavings CDHP Work



What is Co-Insurance?

- Percentage of total cost of services-after deductible is met
- You pay 30% of discounted network rates until max out of pocket reached

HealthSavings CDHP Pharmacy Benefits 1-2-3

- Employee pays full negotiated cost of prescription drugs up to annual deductible,
- Employee pays coinsurance until the annual out-of-pocket maximum is reached.
- 3. Plan covers 100 percent of in-network costs

For 90-day chronic maintenance drugs (e.g., hypertension, high cholesterol, etc.) pay coinsurance only – don't have to meet deductible first.

Important Note:

Member pays for the medication at the time of purchase. Even at the negotiated or discounted rate, some drugs can be expensive, particularly specialty drugs, so CDHP members may need to know costs and plan for that expenditure until the deductible is met

What is a Health Savings Account?

- A tax-free savings account to pay for deductible and coinsurance expenses.
- Payflex is vendor

HSAs are Triple Tax Free

- 1. Contributions are pre-tax
- 2. Account balance earns .24% interest tax-free
- 3. Distributions are tax-free

How is the HSA funded?

- Employees make payroll deductions
- Employees can make deposits as they wish
- Some employers will deposit money in the account

LEA and LGA will need to check with ABC to see if their agencies will be making HSA contributions.

HSA Belongs to the Employee

- Money is employee's money, even if he/she leaves or retires
- Balance rolls over at end of the year

Amount You Can Contribute Annually

- \$3,350/individual
- \$6,750/family
- Age 55+ can make additional \$1,000 contributions

Note: Per 2016 IRS guidelines set each year

HSA Can Be Used To Pay For

- Deductibles
- Co-insurance
- Vision and Dental
- Uncovered qualified expenses like
 - Hearing aids
 - Acupuncture
 - Home care
 - Other

HSA Cannot be Used For

- Premium Payments
- Non-qualified medical expenses
- Non-medical expenses (until age 65)

Other HSA Benefits

- Can help fund health expenses tax free when employee retires
- At 65, can be used for non-medical expenses with no penalty charges (but will be taxed)

HSA Penalties

If used for non-medical expenses (prior to age 65)

- Penalties charged
- Taxes must be paid

Difference Between HSA and FSA

- FSA is use it or lose it
- HSA is employee's money to keep
- If member is in HSA, can't use FSA for medical expenses
- With HSA, can use Limited Purpose FSA for
 - vision
 - dental

To Qualify for An HSA

- Must be covered under the HealthSavings
 CDHP
- Have no other health coverage, even a spouse's plan
- Not be claimed as a dependent on someone else's 2014 tax return
- Not be enrolled in
 - Medicare,
 - Veteran's Health Benefits
 - other government insurance program



What is ALEX?

ALEX is a smart, funny benefits expert who explains benefits options and may help members choose what's best for them.





QUESTIONS ABOUT HEALTHSAVINGS CDHP?

